

## **PROGRAM GUIDELINES**

### **2017 Erie County Affordable Housing Fund Program (ACT 137)**

#### **BACKGROUND INFORMATION**

The Pennsylvania "Optional County Affordable Housing Funds Act" (PA Act 137 of 1992) authorized counties to increase the recording fees of deeds and mortgages and use the proceeds to establish an Affordable Housing Fund the monies from which could be used to support projects/activities that enhance the availability, affordability, and quality of housing for lower- income individuals/families.

In October 1999 Erie County Council adopted Ordinance Number 84 establishing the Erie County Affordable Housing Fund in accordance with the provisions of PA Act 137 of 1992. The Ordinance took effect on January 1, 2000 and since 2001 nearly \$3 million has been raised and distributed to a wide array of groups and organizations to provide affordable housing opportunities for lower income Erie County residents. The County's Affordable Housing Fund program is administered by the Erie County Department of Planning (ECDP).

#### **WHAT IS AFFORDABLE HOUSING?**

The generally accepted definition of affordability is for a household to pay no more than 30% of its annual income on housing. Families who pay more than 30 percent are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. According to HUD, an estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing. A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States.

#### **AVAILABLE FUNDS**

The County has approximately \$150,000 available in the 2017 funding round. There is a cap of **\$40,000** per funding request. The deadline to submit an application to the ECDP for funding consideration is **Friday, March 31, 2017**.

#### **ELIGIBLE APPLICANTS**

Eligible applicants for County Act 137 funding assistance include:

- ✓ units of local government
- ✓ housing and redevelopment authorities
- ✓ non-profit human service providers
- ✓ community and faith based organizations
- ✓ non-profit developers

*Individuals and for-profit developers are not eligible to apply for assistance.*

#### **ELIGIBLE PROJECTS**

Projects may include, but are not limited to the following:

- Single family owner-occupied housing rehabilitation
- Rental housing rehabilitation
- Emergency home repairs
- Weatherization
- Adaptive home modifications for disabled persons
- First time home buyers program –down payment and/or closing cost assistance
- Transitional or emergency housing, housing for the homeless and/or near homeless, veterans housing
- Projects to benefit special need households including the elderly, physically disabled, persons with severe and persistent mental illness, persons with developmental disabilities, survivors of domestic violence, etc.

*(See attached file of projects funded over the last 3 years)*

## **BENEFICIARIES**

At a minimum, a project must benefit families of low-to-moderate income. A low-to-moderate income family/household is one whose income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. The income limits shown below are from 2016. Applicants are encouraged to check <https://www.huduser.gov/portal/datasets/il.html> for the 2017 income limits which HUD is expected to release in mid-March.

### ***FY 2016 Income Limits Summary***

FY 2016 Income Limit Area	Median Income	FY 2016 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Erie County	\$57,900	Extremely Low (30% of Median Income)	\$12,150	\$16,020	\$20,160	\$24,300	\$28,440	\$32,580	\$35,900	\$38,250
		Very Low (50% of Median Income)	\$20,300	\$23,200	\$26,100	\$28,950	\$31,300	\$33,600	\$35,900	\$38,250
		Low-to-Moderate (80% of Median Income)	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150

## **GENERAL PROGRAM REQUIREMENTS**

Applicants must be able to comply with the following general requirements:

- The project cannot be funded solely with County Affordable Housing Funds. “Secured” matching funds are required; however, there is no required percentage (%) of match.
- Demonstrate ability to successfully implement the project within 12 months of award letter.
- Demonstrate site control for development projects.
- Identify who will have ownership, management, and maintenance responsibility following completion of the project.
- To ensure that the investment of Act 137 funds yield affordable housing over the long term, a minimum five (5) year period of affordability will need to be demonstrated by the applicant.
- Accept full responsibility for compliance with HUD Environmental Review Regulations -24 CFR Part 50 or 24 CFR Part 58, *if applicable*. This would come into play if the applicant uses CDBG or HOME program funds as match.
- Accept full responsibility for compliance with Davis Bacon & Related Act regulations *or* State Prevailing Wage regulations, *if applicable*.
  - ✓ For a construction project partially financed with CDBG funds over \$2,000 the Davis Bacon Act applies. This Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics.
  - ✓ Construction projects (construction, reconstruction, demolition, alteration and or repair work *other than maintenance work*) financed by a public body (County of Erie) where the total project cost is \$25,000 or more require the payment of Pennsylvania prevailing wages under the Pennsylvania Prevailing Wage Act (43 P.S. §§ 165-1 through 165-17).

## **EVALUATION CRITERIA**

Funding requests will be evaluated and prioritized based on the following criteria:

- **Problem/Need to be addressed** - The extent to which the project addresses an affordable housing problem, need, or opportunity and how it contributes to the general housing policies identified in the Erie County 2008 Housing Plan\* which includes:
  - Promote sound maintenance and rehabilitation of existing housing.
  - Promote a diversity of housing options that meet a wide range of needs and income levels for county residents. Encourage environmentally friendly, “sustainable” development.
  - Support affordable housing activities within Erie County, including construction of affordable housing units, rehabilitation of existing housing, homeownership programs, etc.
  - Provide assistance and support for residents with special needs, including the homeless.
  - Support housing assistance and a full range of housing choices for seniors.
- \* (<https://www.eriecountypa.gov/media/19660/Erie-County-Housing-Plan-Oct2008.pdf>)
- **Match** - The extent to which the applicant matches the Act 137 funding.
- **Project Outcomes/Impact** - *Outcomes* in terms of number of housing units created or rehabilitated; number of families assisted, etc. *Impact* in terms of long term changes to be brought about in the community as a result of the project.
- **Experience of Applicant / Past Performance**

## **PROJECT SELECTION**

The ECDP will forward the funding requests to the Act 137 “Non-Voting Committee” who will evaluate each of the project requests based on the above criteria. This committee will develop a prioritized project list along with comments/recommendations and forward the information to the Act 137 “Voting Committee” who will decide which projects to fund and at what amount.

The Non-Voting Committee is comprised of the following County representatives:

- ❖ Director of Finance or designee
- ❖ Director of Human Services or designee
- ❖ Director of Planning or designee

The Voting Committee consists of:

- ❖ County Executive or designee
- ❖ County Council Chair or designee
- ❖ Clerk of Records or designee

## **PROGRAM TIMETABLE- TENTATIVE**

Application packets E-mailed to agencies/organizations	Tues., February 14, 2017
Notice published in Erie Times announcing availability of 2017 ACT 137 funding	Thurs., February 16, 2017
Deadline to submit application to ECDP	<b>Friday, March 31, 2017</b>
Applications reviewed and prioritized for funding by “Non-Voting Committee”	April 2017
Funding recommendations of “Non-Voting” Committee forwarded to “Voting Committee”	April 2017
“Voting Committee” meets to review funding recommendations and select projects to fund and at what amount.	May 2017
Funding awards announced.	May 2017
Contracts awarded and Notices to Proceed issued.	June 1, 2017
Deadline to complete projects	May 31, 2018